GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2621
ANSWERED ON:15.12.2015
Financial Irregularities in PSUs
Rajoria Dr. Manoj

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether huge loss has been caused to the Exchequer owing to financial irregularities as a result of shortcomings in the management of Public Sector Undertakings during the last two years and the current year;

(b) if so, the details thereof and the quantum of losses reported, PSU-wise; and

(c) the action taken against the officers responsible and the steps taken to check such losses in future?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

(SHRI G. M. SIDDESHWARA)

(a) & (b): The Comptroller & Auditor General of India (C&AG) conducts the audit of Public Sector Undertakings on a test check basis and significant audit findings are included the C&AG's Reports on Compliance Audit Observations presented in Parliament. The Reports are available on the official Website of C&AG viz. www.saiindia.gov.in . Two of the above referred Reports of C&AG and placed in Parliament (viz. Reports No. 13 of 2014 and No. 21 of 2015) reported compliance audit observations under the following four categories with the amount of financial implication as stated against each category:
Financial Irregularities
(Rs in crore)

Nature of Compliance Audit Observations	Report No. 13 of 2014	Report No. 21 of 2015
1. Non Compliance with rules, directives, procedures, terms and conditions of contracts etc.	766.22	5863.85
2. Non safeguarding of the financial interests of the organization	1854.97	1680.23
3. Defective/deficient planning	321.00	1429.66
4.Non-realisation/partial realization of objectives	4.20	54.57

The enterprise-wise detail of the amount is available in the C&AG's Reports No.13 of 2014 (Compliance Audit Observations) and Report No. 21 of 2015 (Compliance Audit Observations) laid in the Parliament in the respective years.
(c) In order to monitor and expedite the follow up action on C&AG report, administrative Ministries / Departments have set up Monitoring Cells. Administrative Ministries are required to submit the follow up Action Taken Notes vetted by the C&AG in respect of Reports of the C&AG presented to Parliament to the Committee on Public Undertakings (COPU) within six months from the date of presentation of the relevant Audit Reports. Some of the paras / performance audit reports are also selected by COPU for examination every year. During examination of such paras, oral evidence from representatives of PSU Management / Ministry is also taken by the COPU.
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